

Message Text

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64

ORIGIN EB-03

INFO OCT-01 SS-14 ISO-00 AID-10 SP-02 IO-03 ARA-10 AF-04

A-01 L-02 EUR-10 NEA-06 TRSE-00 SSO-00 NSC-07 NSCE-00

CIAE-00 INR-11 NSAE-00 RSC-01 IGA-01 H-01 INRE-00

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DRAFTED BY EB/IFD:SWEINTRAUB

APPROVED BY D:RINGERSOLL

EB:TOENDERS

A/AID:DPARKER

S/P:WLORD

A/AID:LJONNES

EB/IFD/ODF:REBENEDICK

IO/CMD:JMCDONALD (SUBS)

ARA/LA:DSZABO (SUBS)

AF:JJBLAKE (SUBS)

A:LEDMOND (SUBS)

L:WHOPKINS (SUBS)

AID/AA/PPC:PBIRNBAUM

EUR/RPE:EPREEG (SUBS)

NEA:SSOBER (SUBS)

S/S:SRGAMMON

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 160128

LIMDIS

E.O.11652: GS

TAGS- EFIN

SUBJECT: PROPOSED NEW INTERNATIONAL DEVELOPMENT COMMITTEE

FOR TREASURY SECRETARY SIMON FROM INGERSOLL

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1. AS YOU KNOW, WE CONCURRED IN YOUR LETTER TO THE OTHER C-20 MINISTERS RE THE ESTABLISHMENT AND GENERAL TASKS OF THE PROPOSED MINISTERIAL LEVEL COMMITTEE. WHILE THE CLEARED LETTER IS NOW SILENT ON THE COMPETENCE OF THE COMMITTEE, THERE IS LANGUAGE IN YOUR DRAFT RESOLUTION FOR THE ESTABLISHMENT OF THE NEW COMMITTEE WHICH WOULD GIVE THIS COMMITTEE "DECISION-MAKING POWERS." FOR A VARIETY OF REASONS, I AM CONCERNED WITH THIS AND WOULD ASK YOU TO REFRAIN FROM DISCUSSING THIS POINT WITH OTHER GOVERNMENTS UNTIL WE HAVE HAD OPPORTUNITY TO DISCUSS IT FURTHER.

2. OUR CONCEPT OF THE COMMITTEE REMAINS THAT IT SHOULD BE A BODY FOR DISCUSSIONS, STUDY, CONSULTATION, COORDINATION, AND OVERALL REVIEW. WE ARE WILLING TO TAKE THE RISK THAT IN THE COURSE OF THE BROAD RANGE OF RESOURCE TRANSFER AND DEVELOPMENT ISSUES BEING EXAMINED, THE US WOULD OFTEN BE UNDER ATTACK FOR ITS DEVELOPMENT POLICIES. WE BELIEVE THAT THIS WOULD BE ACCEPTABLE SO LONG AS THE OVERALL WORK OF THE COMMITTEE IS LIKELY TO BE CONSTRUCTIVE. WE FURTHER ASSUME THAT THIS CONSTRUCTIVE OUTCOME WOULD BE POSSIBLE IF THE RIGHT COUNTRIES COULD BE PRESENT IN LIMITED NUMBERS. HOWEVER, WE DO NOT WISH TO PROPOSE A NEW INTERNATIONAL INSTITUTION WHICH WOULD MAKE DECISIONS ON ISSUES RE OUR PERFORMANCE IN THE AID FIELD OR IN OTHER AREAS, NOR DO WE BELIEVE THAT OTHERS WOULD BE PREPARED TO SUPPORT SUCH A DECISION-MAKING BODY. IF WE WERE TO WORK TOWARD THIS TYPE OF ORGANIZATION, IT WOULD REQUIRE CONGRESSIONAL APPROVAL, PERHAPS EVEN AS A TREATY, AND WE DO NOT WISH TO GO THIS ROUTE. OF COURSE, THERE WOULD BE CONGRESSIONAL CONSULTATION CONCERNING OUR PARTICIPATION IN A DEVELOPMENT COMMITTEE, BUT THAT IS A FUNDAMENTALLY DIFFERENT MATTER.

3. ANOTHER POINT IS THE FINANCING OF THE NEW COMMITTEE. WE NOTE THAT IT IS INTENDED THAT THE BANK AND FUND FINANCE THIS NEW ENTITY. WE ATTACH IMPORTANCE TO THIS BECAUSE OTHERWISE WE WOULD HAVE TO SEEK NEW AUTHORIZATION FROM THE CONGRESS TO FINANCE OUR CONTRIBUTION.

4. UPON YOUR RETURN, I BELIEVE IT ESSENTIAL THAT WE RE-
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VIEW THE FOREIGN POLICY IMPLICATIONS OF THESE PROPOSALS AND, CONSEQUENTLY, THE INTERAGENCY BACKSTOP MECHANISM FOR THE NEW COMMITTEE. THE PROPOSED COMMITTEE TRANSCENDS THE NORMAL COMPLEX OF FINANCIAL ISSUES OF THE CA20. UNDER THE HEADING OF DEVELOPMENT ISSUES, WE WILL BE CONCERNED WITH A BROAD RANGE OF MATTERS AFFECTING THE DEVELOPMENT OF THE POOR NATIONS, I.E., TRADE POLICY, COMMODITY POLICY, RELATIONS WITH THE UN AND OTHER

BODIES, ETC. US POLICIES AND PROGRAMS CONCERNED WITH
DEVELOPMENT ARE CENTRAL TO THE REALIZATION OF OUR FOREIGN
POLICY OBJECTIVES AND PERFORMANCE MUST BE UNDER THE
POLICY DIRECTION OF THE SECRETARY OF STATE. KISSINGER

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